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The Senate approved a \$625.6 billion Pentagon budget Tuesday, ending a weeklong debate reflecting very different but related wars: one in Afghanistan and the other among aerospace giants vying to keep production lines open.

Adopted 93-7, the measure includes \$128.6 billion for U.S. military operations overseas, a number that will almost certainly grow in 2010 as the administration revamps its strategy in the Afghanistan-Pakistan region. Meeting with top lawmakers prior to the Senate action, President Barack Obama warned that the annual costs would approach \$1 billion for every 1,000 troops added, and Afghanistan is now driving efforts to channel military spending more toward the immediate needs of soldiers and Marines in the field — and not the high-priced aircraft of the past.

Amid a weakened economy, major aerospace companies are being squeezed by Defense Secretary Robert Gates. And both in Congress and overseas markets, new battle lines have formed as corporations like Boeing and Lockheed Martin compete for the remaining dollars — and foreign sales.

Boeing, based in the president's home city of Chicago, proved a major player in the Senate, which added \$2.5 billion to the Defense Department's request for C-17 cargo planes and has, thus far, avoided any veto threat by the White House. Another \$512 million was added for Boeing's F/A-18 Super Hornets, and in pursuing sales

overseas, the company is getting help from both the administration and Senate allies like Sen. Kit Bond (R-Mo.).

August travel records are telling. Obama sent a high-level Defense and State Department delegation to Brazil to promote a multibillion-dollar deal for 36 of the F/A-18s, competing with a French-made fighter. Retired Gen. Jim Jones, the president's national security adviser and a former board member at Boeing, was part of the trip but left after two days and, "due to an abundance of caution," kept himself removed from the plane sales talks, a spokesman said.

Less reluctant was Bond, who traveled to Denmark and Greece in August on a taxpayer-financed Senate Appropriations Committee trip that included meetings with top foreign officials to promote Super Hornet sales.

"I'm adamant about doing everything I can to promote big export opportunities for Missouri workers," Bond told POLITICO. He is also a major recipient of Boeing political contributions; data collected by the nonprofit Center for Responsive Politics show that Bond's Boeing-related contributions over three elections since 1989 total \$135,400, second only to contributions by Anheuser-Busch.

Unlike the Brazilian competition with European aircraft makers, Boeing is competing directly with the Lockheed Martin F-35 Joint Strike Fighter in the case of Denmark, which figured prominently in Bond's trip. The Danish Parliament has committed to making a decision by the end of the year on replacing its current F-16s, and the two American companies are also vying with Saab's Gripen NG fighter.

Bond's office estimated the cost of the trip, which included one staffer accompanying the senator, at about \$25,000, and the purpose was to meet with Danish and Greek officials on national security and defense issues and "to promote the sale of St. Louis-made fighter planes."

Appropriations officials expressed surprise at the F/A-18 component of this agenda, but the committee has yet to release the formal letter authorizing the trip. Lockheed officials privately complained about Bond's visit after reports came back from Copenhagen, but the company was restrained in making any public comment on the matter.

"We are confident in the F-35's capabilities and think it will fare very well in the competition," said a spokesman.

Both at the beginning and the end of the near hourlong White House meeting Tuesday, Obama stressed that the decision before him and the nation was not a simple all-or-nothing choice in Afghanistan.

"It's not that we're either going to get out or we're going to put 40,000 troops in. That's not what it's all about," Rep. John Murtha (D-Pa.) told POLITICO in paraphrasing Obama's opening statement. "It's trying to figure out a strategy that we think will work."

Obama personally praised his two top commanders: Gen. Stanley McChrystal, U.S. commander in Afghanistan, and Gen. David Petraeus, head of the U.S. Central Command. But he also stressed that he would have to make the final decision and signaled that more meetings will be held before any announcement.

"He's going to have a series of meetings, which I like because as this evolves, you need input as it goes along," Murtha said. "He mostly listened, but he summed it by saying, 'I want to reiterate this is not one or the other.' And everybody there said, 'You know this is a tough decision, Mr. President.'"

Obama is clearly mindful of the costs already incurred in Afghanistan, following the hundreds of billions already consumed in Iraq. In this context, he used the roughly \$1 billion-per-1,000-troops estimate, which was described by a White House official as "just short" of \$1 billion per 1,000 troops.

Closing Senate debate on the Pentagon bill came as the Senate and House Armed Services committees announced agreement on a companion authorization bill to be ratified Wednesday. The Appropriations leadership must now do the same, and Gates has warned he will recommend a veto if the final package strays too far from the outline of his own budget.

In the case of Boeing's C-17s, the White House is still treading lightly, perhaps out of deference to their popularity in Congress or the political plight of Democratic Sen. Chris Dodd, up for election next year in Connecticut where Pratt & Whitney manufactures the cargo plane's engines.

Late Tuesday, a final attempt to cut the money failed 68-30, more than the two-thirds majority to override a veto. "It's a real workhorse," Dodd told POLITICO. And "in light of what level of troops we have today, including the level we may have" in Afghanistan, he argued that this was a case where the aircraft met Gates's needs as well.

Though it received far less attention, a final skirmish over spending earmarks for private companies could have an impact in House-Senate negotiations down the road.

Sen. John McCain (R-Ariz.) proposed that the Senate adopt tougher House standards, mandating "full and open competition" for any spending item intended for a for-profit entity. Instead, on a 77-21 vote, senators embraced a proposal by Appropriations Committee Chairman Daniel Inouye (D-Hawaii) that any earmarks be subject to the same procedures as the administration's own contracts, many

of which are sole-sourced without full competition.